

## **MAY 2003 HIGHLIGHTS**

The estimated construction costs reported on building permits issued in May was \$862.3 million. New houses, and additions and alterations to existing dwellings, accounted for \$480.5 million, 55.7 percent. Nonresidential construction totaled \$381.9 million, 44.3 percent; 518 municipalities reported.

### **Top Municipalities**

A strong housing market, as well as public improvement projects for new schools and transit facilities, were behind much of the activity in recent months and continued to have a strong role in May. Bordentown Township in Burlington County had the most work with \$46.2 million for the month. Most of this was for a new high school with an estimated construction cost of \$44.7 million. The City of Elizabeth in Union County had \$25 million of construction, \$18.2 million of which was for an alteration to the City's courthouse. Princeton Township in Mercer County ranked third with \$21.5 million of construction. A \$19-million public school addition accounted for most of this work.

"State buildings" refer to a category of building permits issued on behalf of State agencies and authorities, State colleges and universities, and other instrumentalities of the State. The month of May was good for State buildings. Estimated construction costs reached \$40.8 million. A mixed-use rail station and parking garage facility for Montclair University in Little Falls Township, Passaic County had an estimated construction cost of \$26 million. Another big facility was a new, \$6.3-million travel plaza along the Garden State Parkway.

The number of new houses authorized for construction was 2,540 in May. This was 11.9 percent more than last month and 7.4 percent more than May 2002. East Rutherford Borough in Bergen County had 125 new dwellings, more than any other locality. The Borough construction office issued a permit for footings and foundation to a new building that will have 125 condominiums. Elizabeth and the City of Rahway in Union County both had 107 authorized dwellings. In Elizabeth, 33 of these units will be apartments in a long-term health-care facility that also will have nursing-home beds. Another 32 dwellings will be market-rate apartments. Ninety-two of the 107 authorized units in Rahway will be in a new apartment complex.

### **Year to Date**

In the first five months of 2003, the four major construction indicators published in the *NEW JERSEY CONSTRUCTION REPORTER* are down compared to last year. The estimated cost of work authorized by permits declined by \$206.4 million (4.6 percent). There are 63 fewer houses, 0.5 percent less than last year. Office space is down by 460,236 square feet (12.1 percent) and new retail space is 527,278 square feet below the level reached in the first five months of 2002.

Princeton and Atlantic City in Atlantic County have the most work authorized by building permits between January and May 2003. Both localities had more than \$87 million of construction. School additions and alterations, most of which have occurred in the local public school system, and the construction of two new student dormitories for Princeton University make up most of the work reported by the Township construction office. Thus far, the biggest projects reported in Atlantic City are for the expansion of the Resorts Hotel.

The first five months of 2003 were busy for State buildings. Estimated construction costs for all State buildings reached \$215.9 million, nearly one and one-half times more than the municipality with the most activity thus far this year. College and university construction, as well as transportation improvements, comprise most of this activity.

<b>Major Construction Indicators, New Jersey: January – May</b>				
<b>Period</b>	<b>Estimated Cost of Construction</b>	<b>Authorized Housing Units</b>	<b>Authorized Office Space (square feet)</b>	<b>Authorized Retail Space (square feet)</b>
January – May 1998	\$3,164,853,868	11,956	3,034,481	3,583,066
January – May 1999	\$3,943,487,194	12,635	4,203,626	2,876,614
January – May 2000	\$3,868,595,659	13,618	5,278,447	2,066,933
January – May 2001	\$4,782,986,399	13,001	7,229,819	2,404,072
January – May 2002	\$4,471,610,569	12,002	3,807,699	3,332,698
January – May 2003	\$4,265,221,462	11,939	3,347,463	2,805,420
<i>Difference Between 2002 and 2003</i>				
1999-2000	(\$206,389,107)	(63)	(460,236)	(527,278)
Percent Change	-4.6%	-0.5%	-12.1%	-15.8%
Source: N.J. Department of Community Affairs, 7/7/03				